



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155

IN REPLY REFER TO:  
3809  
(UT-924-OA)  
UTU-71326,78613,79746

5001/057  
E001/148  
5001/056

0008

July 16, 2003

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

### DECISION

Obligor/Operator:  
David Penney  
Penny Gemstones  
P. O. Box 312  
Beaver, UT 84713

Notice Operations: UTU-71326 (extended) 5/001/057  
UTU-78613 (extended) 5/001/056  
UTU-79746 E/001/148

Nationwide Bond Amount: \$50,000

Financial Institution:  
Utah Independent Bank  
P. O. Box 1030  
Beaver, UT 84713

Nationwide Financial Guarantee Accepted

Notices Extended

*5001/057 SLIVER 2-4*  
You filed notices extending notices UTU-71326 and UTU-78613 with the Cedar City Field Office, Bureau of Land Management (BLM). The reclamation cost estimate is determined to be \$20,000 for Notice UTU-71326 and \$3,000 for Notice UTU-78613. *GREEN CHAMELEON E 001/148*  
*5001/056 LOST GEMS #1*

BLM currently holds a bond in the amount of \$3,000 for Notice No. UTU-79746.

This office received a letter of credit (LOC) in the amount of \$50,000 on July 14, 2003, and a Surface Management Personal Bond contract and Personal Rider on June 30, 2003, to secure bond coverage nationwide and to replace \$3,000 LOC issued by Utah Independent Bank to secure a bond for Notice UTU-79746.

The bond and the financial document have been examined and found satisfactory. The financial guarantee is accepted as of July 14, 2003. Accordingly, notices UTU-71326 and UTU-78613 are extended until January 20, 2005.

The bond covers operations conducted by or on behalf of the obligor/operator nationwide and bond coverage continues, uninterrupted, for the above obligor for Notice UTU-79746. The original security is being returned, enclosed, to Utah Independent Bank for disposition. Also, the unacceptable LOCs received by this office on June 13 and July 7, 2003, are being returned, enclosed, to the bank.

RECEIVED

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JUL 18 2003

DIV. OF OIL, GAS & MINING

The pledge for the bond is a LOC written by the financial institution named above. The LOC will be retained in this office until all terms and conditions of the operations have been fulfilled or until a satisfactory replacement bond has been accepted. The LOC will be returned to the financial institution when this office determines that the bond is not longer required.

The LOC will continue indefinitely in the absence of notice from the financial institution of its determination not to renew the letter. Such a notice must be received in this office at least 90 days prior to the original expiration date of May 28, 2004, or the automatic extension dates falling on the same day in subsequent years. A copy of such notice also should be provided to the obligor, who would then be responsible for providing a replacement security to the BLM. Unless the obligor provides a satisfactory replacement bond at least 30 days prior to the then fixed expiration date, BLM will demand that the financial institution pay the full amount of the credit to ensure continuing bond coverage of the obligor. Any such funds thus obtained will be retained as long as none are required to correct defaults, until the bond is no longer required or until replacement bond coverage is accepted by the BLM.

The bond will be maintained by this office. The bond constitutes coverage of all operations conducted by or on behalf of the obligor on Federal lands (nationwide). The bond provides coverage of the obligor where that obligor has interest in, and/or responsibility for plans of operations or notices on public lands issued under the authority of any of the Acts cited on the bond.

A total of \$26,000 is obligated to the above-mentioned 3809 notices in Utah. A total \$24,000 remains available for other 3809 notices/plans nationwide. If you have any questions concerning the bond, please contact Opolonia Abeyta at (801) 539-4123.

**RITA STELMACH**

Rita Stelmach,  
Acting Chief, Branch of  
Minerals Adjudication

Enclosure (financial institution only)  
LOC dated Aug 26, 2002  
LOCs dated May 28, 2003 (unacceptable)

cc: Ed Ginouves, Geologist, Cedar City Field Office, UT-040  
Terry Snyder, Utah State Office, UT-923  
Wayne Hedberg, UDOGM, File Nos. S/001/035 and S/001/056 (extended notices)